



European Bank
for Reconstruction and Development

To Mr Yury Urbansky
Executive Director
National Ecological Centre of Ukraine

03 December 2013

Dear Mr Urbansky,

Thank you for your correspondence dated 07 November 2013 in relation to the Danosha project in Ukraine (project number: 44982).

Please note, the project with Danosha was categorised “B” and we confirm that the Bank has followed, and will continue to follow, its Environmental and Social Policy regarding the disclosure of commensurate project information and will cooperate with the Client in this respect. We would like to emphasise that the Aarhus Convention applies to relevant environmental authorities and that the requests for information under the convention should also be directed to the authorities who are obliged to provide it.

We would like to also note that the Company has undertaken Environmental Impact Assessments (EIA/OVNS) according with the Ukrainian legal norms for the construction and expansion of the new farms and a level of stakeholder engagement has already taken place as part of the requirements of the EIA/OVNS of projects. With regards to EBRD requirements the Company is required to ensure appropriate communication with local communities and relevant authorities during the project implementation and this will form part of the Stakeholder Engagement Plan (SEP), which will be implemented, including a grievance procedure, upon the approval of the project by the Board.

In response to the specific points you have raised in the correspondence.

- 1) The EBRD loan will finance capital expenditures related to expansion and improvement of Danosha’s existing operations in Ivano-Frankivsk region. It will exclude financing of the expansion of the pigs farms and will be used for certain bio-security and operational improvements of the Company’s existing farms, increase of feed mill and storage capacity, additional agricultural machinery to farm new land, construction of two biogas plants, and balance sheet restructuring.
- 2) As part of the Stakeholder Engagement Plan Danosha will further develop its corporate stakeholder information and communication programme including implementation of a public grievance mechanism. The SEP will be made available to the public. A Non-Technical Summary of the project will be released to locally affected people summarising the Company’s activities, the key environmental and social impacts and the mitigating measures.



- 3) Please note that in accordance with the Public Information Policy, the EBRD does not disclose Environmental and Social Action Plans of its clients for category B projects to any third-parties. However, the Project Summary Document contains information on EBRD's E&S requirements and areas to be improved that are included into the ESAP. (<http://www.ebrd.com/pages/project/psd/2013/44982.shtml>). We would also be glad to provide any other project information in line with our E&S and Public Information Policies.

Please do not hesitate to contact EBRD or Danosha should you wish to raise any further issues.

Kind regards,

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Gilles Mettetal
Director, Agribusiness, EBRD

A handwritten signature in black ink, appearing to read 'Alistair Clark', written over a horizontal line.

Alistair Clark
Managing Director, Environment and
Sustainability, EBRD